

Date: July 3, 2012

To: Thomas J. Bonfield, City Manager
Through: Theodore L. Voorhees, Deputy City Manager
From: Marvin G. Williams, Director of Public Works
Subject: Status Update and Authorization to Execute the Infrastructure Completion Agreement and Amended Stormwater Agreement for the Stoneybrook Cottages Failed Development

Executive Summary

This memorandum is to provide an update to the City Council regarding the status of the failed development, Stoneybrook Cottages. This memorandum also requests that the City Council authorize the City Manager to execute the attached "Infrastructure Completion Agreement" and the "Amended Stormwater Agreement" with no planned assessment of homeowners.

Recommendation

The Department of Public Works recommends that the City Council receive this memorandum regarding the status of the failed development, Stoneybrook Cottages, and to authorize the City Manager to execute the above mentioned "Infrastructure Completion Agreement" and the "Amended Stormwater Agreement" with no planned assessment of homeowners.

Background

Over the past three years, the Department of Public Works has been managing failed and struggling developments, which include bankrupt and restructured developments, to ensure that the public and private infrastructure is completed. Stoneybrook Cottages is included in this group of developments and the City is ready to move forward with the completion of the infrastructure with no planned assessment of the homeowners.

The Stoneybrook Cottages subdivision is a forty four-lot subdivision (twenty lots in phase 1, and 24 lots in phase 2) located off of Cole Mill Road. The plans for this subdivision were approved and construction of the infrastructure was initiated. By 2009 it was discovered that the developer stopped work on the incomplete subdivision and defaulted on the construction securities. The City collected the securities totaling \$129,060.00.

Staff in the Department of Public Works, with the assistance of the City Attorney's Office, has worked diligently with the Stoneybrook Cottages Homeowners Association, INC and Stelic Enterprises, INC for the last several months to produce an agreement to complete the unfinished infrastructure with no planned assessment of the homeowners.

Issues and Analysis

I. Stoneybrook Cottages Subdivision

A. Completion of Public Infrastructure

As with all other failed developments, an engineering evaluation punch list and cost estimate has been completed. The punch list is included with this report. As the infrastructure has not been completed nor accepted, the Department of Public Works recommends that public infrastructure be completed with collected securities and with no planned assessment to the residents of this subdivision.

B. Completion of Private Infrastructure

As with all other failed developments, an engineering evaluation punch list and cost estimate has been completed. The punch list is included with this report. As the two stormwater management facilities have not been completed and accepted, the Department of Public Works recommends that private infrastructure be completed with collected securities and with no planned assessment to the residents of this subdivision.

Alternatives

The Council may choose not to approve the request and the infrastructure will remain incomplete.

Financial Impacts

There are no financial impacts to the City of Durham for this work other than staff time used to complete monitor, and contract out the work to be completed.

SBDE Summary

The SDBE Summary is not applicable to this report.